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THE QUESTION CLUBS AND THE TARIFF.

BY SAMUEL W. MENDUM.

AMONG the changes proposed in the Senate Tariff Bill, which passed the Senate on January 22, 1889, was an increase in the duty on tin plates from one cent, the present rate, to two cents per pound. While the bill was yet pending, the Massachusetts consumers and workers of tin plate, to the number of over three hundred, signed and forwarded to the Hon. Henry L. Dawes and the Hon. George F. Hoar, the Senators from Massachusetts, a communication in which the following specific questions were asked :

1. Why double the tax on tin plates ?
2. Why not let them enter free of duty ?
3. Who are to be benefited by taxing us upon the tin plates we consume ?
4. To whom do you expect the proposed increase of tax will be paid—to the United States Treasury, or to private persons to induce them to undertake the manufacture of tin plates ?
5. If to the latter, what chance do you think any workmen now idle in this country would stand in getting such private persons to employ them, in preference to the especially well-fitted Welshmen who would at once seek such employment here ?

It will readily be admitted that these consumers and workers of tin plate had as good ground for consideration as the representative of the Iron and Steel Association, Mr. James M. Swank, who at the same time directed a letter to Senator Allison, as chairman of the Senate Sub-Committee on Tariff Revision, in which he advocated strongly the increase of the duty on tin plate, and even admitted that the price of tin plates would be increased to consumers as a result of raising the duty. Nevertheless, so far as we are informed, our two Senators paid no attention whatever to these questions, and the attempt of the Massachusetts tin-plate workers and consumers to obtain the justification for a change so vitally concerning their interests was ineffectual.

The idea, however, of asking specific questions with regard to the effects of our present tariff upon special branches of industry

appeared to find favor with some of our young men who have become interested in economic questions. Since the tariff had come to be the most important issue in our national politics, it was assumed that there must be a large number of people who would like to have more definite knowledge upon the subject. The time was especially opportune for educational work. A presidential contest had just been decided and politics were quiet. Honest arguments would not be restrained by anxiety for party welfare. By the method of question and answer, or question and refusal to answer, or question and neglect to answer, it was thought that the whole subject of taxation might be overhauled. Questions should be sent to those representing both sides, and answers from Protectionists or Tariff-reformers should be equally welcome.

As these young men had no special interests at stake and, therefore, could not afford to invest large sums of money with the hope of a return, a cheap method of spreading their information was desired. "Why not make the people the questioners?" The idea developed, and soon clubs, consisting of five or more members each, were organized in various towns and cities of the State. In order to facilitate the circulation of the questions and the publication of the answers in the press, a general secretary was elected, and the consolidated organizations became known as the United Question Clubs of Massachusetts, with a post-office box as their expensive headquarters.

The first set of questions received treated of the duties upon fish, potatoes, coal, iron ore, and iron. There were seven separate questions, but, for the sake of brevity, I will make a "composite" question of the whole: "Do you think salt fish, smoked herring, frozen fish, potatoes, coal, iron ore, limestone, and iron ought to be taxed?" These questions, addressed to Senators Dawes and Hoar, and Representatives Andrew and Candler, of the Third and Ninth Districts respectively, were forwarded to the various clubs for the signatures of the members. Twenty-three clubs responded, and the questions, duly signed, were forwarded by the general secretary to the congressmen to whom they were addressed.

Representative Andrew alone made specific replies to these questions. He expressed himself as opposed to the imposition of duties upon the articles named, and stated his reasons at length.

A part of his answer to the questions on coal and iron is here-with given :

"In New Brunswick and Nova Scotia are to be found deposits of iron ore of high quality, of cokeing coal in great abundance of the best kind, and of chemically-pure limestone, all lying within a range of six miles from the sea, to the shore of which they might be brought and converted into iron for our use; or they could be floated on barges into the harbors of Bath, Portland, Portsmouth, and Boston. We could then be supplied with pig-iron at from \$9 to \$11 a ton, coal at \$3 a ton, and coke at \$3.50 a ton. . . . If we send to Pennsylvania, we must pay from \$16 to \$18 a ton for pig-iron, \$4 a ton for coal, and from \$5 to \$6.50 a ton for coke. . . . Our iron-works in New England, which gave employment to thousands of our people, are being closed, winding up, selling out, or going to ruin, on account of both the lack of the crude materials and of the old scrap iron and steel and other waste materials, which we could derive in vast quantities from Cuba and South America and other points, in exchange for finished products, but from which privilege we are prohibited by taxation."

The publication of Mr. Andrew's replies in the name of the United Question Clubs brought forth a storm of ridicule from protectionist papers, which devoted so much of their valuable space to denouncing us and our methods as to cause us to feel that we were, after all, of some importance, and that our shots were taking effect. The Boston *Journal* thought it necessary to warn Republicans to ignore the Question Clubs, and declared that the shortest way to extinguish them was "not to notice them." The *Journal* itself could not practise its precepts. The Boston *Advertiser* aristocratically insinuated that the questions, signed as they were largely by workingmen, would not warrant replies of value from public men. Several columns would not exhaust the ridicule which was hurled at the Question Clubs. This ridicule only served to help us by arousing the curiosity of the people, and the advertising cost us nothing.

Representative Candler did not answer our questions. The fact that he was a Republican Congressman probably deterred him from an honest expression of his views. He did not even inform us that he had changed his faith from that to which he adhered in 1869, when he said, at a great meeting held in Chickering Hall to promote the reduction of taxation and the reform of the tariff :

"All of them [food, coal, lumber, and iron] are in a measure cut off from us by the greatest humbug of modern times, the tariff of the United States."

The Boston *Advertiser* declared that it was "insulting to our Congressmen to ask them questions about the tariff." What follows shows how Senator Dawes was insulted by our questions.

While he did not favor us with categorical replies, still we were very glad to receive from him a letter conveying such evidence of the kindly spirit in which he received our questions that we felt sure, on what we considered very good grounds, that our movement was not so contemptible as the protectionist papers would have the public believe. Referring to the repetition of the questions on the different signed blanks representing the various clubs, he says:

"There was no occasion for this formidable method of approach, for any one of my constituents, as well as the gentlemen who have signed these papers, is entitled to my opinion on all subjects of public concern. . . . These gentlemen inform me that they shall put questions to me from time to time. This is commendable, and they are entitled to a respectful answer, which they shall have at all times from me."

In order that the replies of Mr. Andrew might be tested, they were forwarded to the prominent iron-manufacturers of New England, with a request for an expression of opinion. The result was eminently satisfactory. Replies were received from the Hon. Peleg McFarlin, treasurer of the Ellis Foundry, South Carver, Mass., who has so persistently endeavored to show the Republicans of New England that the high tariff on iron, crude, scrap, and pig, is ruining our iron industries ; Mr. A. N. Parlin, treasurer of the Magee Furnace Company, Boston ; Mr. James C. Warr, of the Franconia Iron and Steel Works, Wareham, Mass. ; Mr. Z. Talbot, manufacturer of shoe-nails and tacks, Holliston, Mass. ; Mr. W. B. Dart, treasurer of the Rhode Island Tool Company, Providence ; Mr. Lewis S. Judd, proprietor of the Fairhaven (Mass.) Iron-Works, and General John H. Reed, treasurer of the Bay State Iron-Works.

All of these gentlemen indorsed the views of Mr. Andrew wholly or in part, and the publication of their replies in the leading papers of New England attracted wide attention and occasioned much discussion. It ought to be noticed that the above-named gentlemen are not "visionary doctrinaires," nor receivers of British gold, nor, as far as we are informed, members of the Cobden Club ; but that they are practical business men. I herewith quote from the various letters. The Hon. Peleg McFarlin says :

"It is sometimes but a step from the condition which threatens disaster to that which insures success. Restore the former reasonable tariff rate of 24 per cent. *ad valorem* on iron, and, while Pennsylvania will not suffer, New England will feel a

stimulus in all her avenues of traffic. Scores of mills within her borders, now deserted and silent, will throng with workmen and renew the hum of thrifty industry."

Mr. James C. Warr speaks in no unmeaning terms when he says :

"As one who has been an unchanging member of the Republican party from the time of its organization, I enter my protest against the doctrine advocated by some stump speakers, more zealous than wise, during the late campaign, that New England, having within the reach of her hands iron as cheap as any that can be produced in the United States, and coal as cheap as any that can be laid down in any city east of the Alleghanies, shall sacrifice her rolling-mills, foundries, machine-shops, nail, tack and shovel factories, boiler, engine, and locomotive works, and her other iron-working establishments of a hundred kinds, in order to satisfy the whims and fancies of some few extremists in New England, who, influenced by cunning Pennsylvania sophistries, are endeavoring to commit the Republican party to the advocacy of the suicidal theory that protection to American manufactures should be carried so far as to work the prohibition of raw materials to those States which are so unfortunate as not to produce any. If the mission of the Republican party is to pull down one by one the great industries of New England, then I have thoroughly misunderstood it, and have all these years been voting with the wrong party."

As a result of the discussion of the iron question, the Boston *Journal* felt obliged to break its rule to "quietly ignore" the Question Clubs, and some refutation of Mr. McFarlin's views was attempted. This paper held that

"the migrations of the iron industry have been occasioned primarily by considerations of convenience and transportation, and proximity to the desired kinds of ore and coal. These are matters with which the duty on pig-iron has little or nothing to do." *

In other words, the Boston *Journal* says in effect to our iron-manufacturers : " You can't do it, and we won't let you try." It must be a blind adherence to the party whip which causes this organ to oppose the efforts of our iron men to revive their industries by a reduction of the exorbitant duties upon iron. If the duty on pig-iron " has little or nothing to do " with the state of our iron industry, why not remove it, or even reduce it ? If that were done, and then iron-manufacturing should prove a failure, our iron men would have to accept the result, just as the New England wheat-growers did when the wheat centre moved west. Again, the *Journal* takes a still weaker position when it says that, after all,

"competition, not merely among mine-owners, but to even a greater extent between freight routes, has brought prices down to a point at which Canadian coal, of a quality suited to the purpose for which iron-manufacturers desire it, cannot successfully compete." †

* August 1, 1889. † September 18, 1889.

If the duty on coal is inoperative, why not remove it? If Canadian coal cannot compete, what need is there of keeping a useless duty upon the tariff-books? Let us try free coal, and if Pennsylvania can do better for New England than Canada, well and good.

And even weaker is the position of Mr. James M. Swank, secretary of the Iron and Steel Association, who is particularly excited over the efforts of the New England iron men to obtain free iron ore and coal. In a recent *Bulletin* article he made the following statement:

"The government does not attempt to force the cultivation of cotton in Ohio or sugar-cane in Michigan. Why should it be asked to attempt equally impossible results in connection with the iron industry of New England?"

Overlooking the mistake in Mr. Swank's premises,—for the government does, by high duties, force the production of sugar in Louisiana, an industry which, on the testimony of the sugar-planters themselves, could not exist but for the protective duty,—it is easy to prove him wilfully inconsistent. He fails to understand that the New England iron men ask for no government *intervention* in their behalf; but, rather, for a removal of the government *prevention*, consisting of exorbitant duties upon their raw materials. They want a fair chance, and Mr. Swank is not willing that they should have it, despite the statements of Mr. Andrew Carnegie, as quoted by Mr. McFarlin in the *Journal* of August 10, 1889:

"So far as foreign competition in pig-iron is concerned, if we have no tax upon that article, it would be confined to the seaboard districts of this country, where cheap transportation by water could be obtained from the centres of production in Europe. In the interior of this country iron is already manufactured at so low a price that foreign producers could not afford to send their product across the Atlantic and pay, in addition, large rates of freight for transportation by rail in order to compete in the interior with American producers."

We also have the testimony of another prominent Pennsylvanian to the effect that a vigorous reform of our iron tariffs will not hurt Pennsylvania, for which State the Boston *Journal* is so solicitous. The Philadelphia *Record*, of November 26, 1889, quotes the following from Major L. S. Bent, president of the Pennsylvania Steel Company, of Steelton, Pa., the greatest industrial plant in the State:

"Give me free ore and I'll sell pig-iron in Liverpool and send steel rails to London. What American industries most want is free opportunity and not legislative protection nor restriction."

Again, Mr. Swank is a zealous advocate of doubling the tax on tin plates in order that the tin-plate industry may be "forced" in Pennsylvania. And in his letter to Senator Allison's committee he emphasizes the point that block tin is free of duty, so that American-to-be tin-plate-manufacturers could get their raw material (block tin) on as advantageous terms as England. Here is the spectacle of a Pennsylvania magnate, willing that by a heavy duty the price of tin plates should be somewhat higher to our consumers, accepting joyfully the fact that block tin is free of duty, and selfishly denying the right to an equal enjoyment of free raw material to his fellow-citizens in New England!

Space does not permit me to treat in detail the questions and answers upon other commodities. The "wool questions" were answered in detail by the Hon. John E. Russell and the Hon. William E. Russell, but were ignored by the Hon. John D. Long and Representative Rodney Wallace, of the Eleventh District. The Messrs. Russell argued strongly in favor of free wool, and expressed themselves as firmly convinced that the present duties were a burden rather than a benefit to the farmer and the wool-grower. In response to a request for his opinion on these answers, Mr. Robert Bleakie, the well-known woollen-manufacturer of Hyde Park, replied, fully concurring in the views of these gentlemen. As a further indorsement of the opinions of the Messrs. Russell, we refer to the petition for free wool prepared by the *American Wool Reporter* and presented to Congress, which, up to December 12, had received the signatures of 517 wool-manufacturers and merchants.

The Question Clubs now numbered fifty, and that number was increased early in August by the twenty-five new clubs whose members signed the lumber questions. Again, the Republican congressmen neglected to reply. Mr. Arthur T. Lyman, treasurer of the Lowell Manufacturing Company, made in reply a strong appeal for the removal of the duties on lumber. Acting on the advice of General William F. Draper, of Hopedale, Mass., to send our questions to "producers of lumber," we received some very able replies. Mr. George F. Talbot, of Portland, Maine, for thirty years a timber-land-owner, bore excellent testimony to the prosperous condition of the lumber business under the reciprocity treaty with Canada. He concluded as follows :

"The duty on lumber aggravates the relative cost of lumber to the consumer; it is utterly useless as a protection; it deposits a mischievous surplus in the Treasury, and it ought to be abolished."

The questions on shipping received the signatures of 221 of Boston's prominent merchants. The publication of the questions together with the names of the signers occasioned much discussion. The chief effect of these questions was to revive the question of subsidies. Through the influence of protectionist journals, which have persistently maintained that England applies the doctrine of protection in a very high degree to her shipping, and have wilfully neglected to state that England does not pay out money to her ships except in return for service rendered, many of our people still believe that England pays direct bounties. The number of people holding that belief is, thanks to the agitation of the subject, constantly growing less. The reply of the Hon. David A. Wells is exhaustive and effective. In concluding his treatment of the subsidy question, he says :

"England subsidizes ships in the same sense as the citizen subsidizes the butcher, the baker, the grocer, and the dry-goods merchant ; that is, she avails herself of the services of a very small proportion of her ships and ship-owners for carrying her mails, and pays them for it in exactly the same way as the United States pays railroad-, steamboat-, and stage-owners for performing similar service. And in all her history Great Britain has never appropriated a dollar for the purpose of aiding in the construction and employment of a British merchant ship, and no person can point to a single act of Parliament that ever gave a bounty or subsidy for such purpose."

There can be no doubt of the interest that has been awakened and the instruction that has been imparted with reference to the tariff by the United Question Clubs. The Republicans, realizing the growth of the tariff-reform sentiment in the State, deemed it expedient to so far modify the uncompromisingly protective attitude of the Chicago platform of 1888 as to insert in their declaration of principles for the State campaign the following clause :

"To our Senators and Representatives in Congress we would say that the Republicans of Massachusetts look to them to urge and support a thorough and equitable revision of the tariff, so as to adapt the protection which it affords to changed business conditions affecting New England industries in common with those of the rest of the country"; [and then by way of hedging] "to maintain the American system of protection to American industry and American labor with which the party marched to victory at the last election."

The Democrats, on the other hand, boldly announced themselves in favor of a vigorous reform of the tariff, and made the question the leading issue in the campaign, while the Republicans avoided the discussion as too dangerous to enter upon. In the Democratic platform appear the following statements:

"We give our hearty support to the petition of the present Republican Governor of the State [Ames], and other leading iron- and steel-manufacturers of both polit-

ical parties, asking for free coal and iron ore and lower duties upon pig-iron. . . . We demand that all materials for ship-building, whether of metal or wood, be relieved from the heavy taxation now imposed upon them, and made free of duty."

A challenge was issued by the Democrats to the Republicans for a debate upon the tariff with the candidates for Governor, the Hon. W. E. Russell and the Hon. J. Q. A. Brackett, as the disputants. The Republicans refused to accept the challenge, which, it must be confessed, was the wisest course for them to adopt. The result of the election was a surprise to even the most sanguine of the Democrats, for Mr. Brackett was elected by the small plurality of about 6,000 votes.

The work of the Question Clubs is really but begun. We have been collecting a library of facts and opinions, and we purpose, when sufficient matter is collected, to republish our questions and answers in pamphlet form for distribution.

In order that I might emphasize our gratitude, I have deferred until this place mention of the indebtedness of the Question Clubs to the invaluable assistance of the press of Boston and New England, and also of New York. The daily papers have been the *sine qua non* of our success, and I thank them heartily for their willingness to publish our numerous replies. With the slight expense of a little printing and postage and the gratuitous publication of our matter in the columns of the press, it is doubtful if a cheaper and more effectual method of economic education has ever been devised.

SAMUEL W. MENDUM.